

Canada: Arsenal and Storehouse

CANADIAN industry established a new high record of production in 1941. The level will be pushed higher in 1942 to meet war requirements, of Canada and her allies.

Industrial expansion since 1939 has been principally in the field of war activity. War contracts awarded by the Department of Munitions and Supply, and commitments made to the end of 1941 on Canadian, United Kingdom and other accounts totalled \$3,200 millions. About \$550 millions has been provided in the form of capital assistance for construction of new plants, extension of old and installation of machinery and equipment.

Heightened activity in factory and field has been reflected in exports, particularly to Britain and other theatres of war. In the first 11 months of the present year Canadian exports were up by 78% over the same period of 1939. Exports in these periods were:

	1st 11 months 1939	1st 11 months 1941
Total.....	\$823,905,000	\$1,470,531,000
United Kingdom.....	298,782,000	609,811,000
Rest of Empire.....	94,637,000	201,671,000
Russia.....		2,501,000
China.....	2,502,000	6,233,000
Egypt.....	330,000	66,034,000
India and Burma.....	4,750,000	37,542,000
Newfoundland.....	7,857,000	27,534,000

Aid to Britain

CANADA, as Britain's ally, has sent more than 150,000 soldiers, sailors and airmen overseas. The Canadian Army in Britain stands in a key position to repel the invaders. All Canadian armed services are equipped and maintained at the Dominion's expense.

Of the \$1,500 millions of materials, supplies and equipment Canada expects to ship to Britain in the current fiscal year, Canadians will finance about \$900 millions of the total. In addition to this contribution Canadian homes are caring for about 6,500 British children. Large charitable donations have been made of a variety of things: medical supplies, clothing, food, ambulances, planes and other articles.

The Home Front

THE goods and manufactures ordinarily consumed by Canadians are becoming progressively fewer and more restricted in variety as war makes heavier demands upon materials, machinery and labor. War in the Pacific has given impetus to these restrictions. Controls placed in effect by the Wartime Industries Control Board of the Department of Munitions and Supply on such raw materials as rubber, tin and silk are affecting every Canadian. Placed on the restricted or banned list are: rubber, tin, silk, cork, kapok, steel, brass, chrome, nickel, copper, aluminum, automobiles and a long list of chemicals and other products. Gasoline will be rationed from April 1st.

A general ceiling has been placed on prices. Wages and salaries are stabilized.

Canadians now pay three times as much in taxes of all kinds as they did before the war; five times as many pay five times as much in income taxes of all kinds. Taxes on goods and services have been increased and extended to cover a wide variety of commodities from soft drinks to travel fares. Business income is subject to a minimum tax of 40%, and 79 1/2% of all "excess profits" are taken by the Government.

Canadians will be asked to subscribe \$500 millions to a new war loan in February. More than \$1,500 millions has been subscribed to date to war loans, war savings certificates and interest-free loans.

Canadians cannot get funds to travel in the United States except for urgent reasons, cannot hold foreign exchange, cannot export capital, and cannot import a great many "non-essential" goods normally bought from the United States. These regulations have been imposed because Canada needs every available United States dollar for war purchases.

This leaflet is a condensed version of a booklet entitled "Canada at War." Both are issued monthly. Those who wish to receive these publications regularly should write to the Director of Public Information, Ottawa, Canada.

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Public Information

CANADA'S WAR RECORD

Revised to January 1, 1942

Canada in the World Conflict

CANADA declared war on Japan as from December 7, following by a few hours similar declarations on Hungary, Rumania and Finland, thereby becoming the first country to recognize officially a state of war with the Far Eastern aggressor. Prime Minister Mackenzie King described the struggle as one "of hemispheres as well as continents." This continent, he said, has been drawn into a world conflict "to the extent of its entire resources".

Canada, already committed to a maximum war effort against the European Axis, had declared war against Germany on September 10, 1939.

Fighting Men

CANADA'S military preparations had been under way for more than two years at the outbreak of the war with Japan. In the armed forces, on-land and sea and air were:

Sailors, soldiers and airmen serving outside Canada.....	More than 150,000
Total voluntarily enlisted for service anywhere.....	More than 387,000
Navy.....	More than 27,000
Army.....	More than 260,000
Air Force.....	More than 100,000

Reserve Army (given part-time training and liable to be called out for home defence) and men conscripted for home defence for duration of war..... More than 155,000

NOTE:—As statistics relating to the strength of the forces are of vital interest to the enemy, the above figures are all approximate.

Dead or missing (in all theatres of war) at Dec. 31, 1941: 2,614

Navy.....	439
Army.....	976
Air Force.....	1,199

*Does not include casualties incurred at Hong Kong, which had not been ascertained at Dec. 31.

More than 18,000 application forms have been sent women prepared to volunteer in the Canadian Women's Army Corps and the Canadian Women's Auxiliary. These women will release men in the armed forces for more active war work. More than 900 have been recruited for the C.W.A.A.F. and more than 1,000 for the C.W.A.C.

Following are among awards so far made to men in the armed forces:

Order of the British Empire.....	4
Distinguished Service Cross.....	8
Distinguished Flying Cross.....	82
Bars to Distinguished Flying Cross.....	7
Distinguished Flying Medal.....	13
Cross of Valour (Polish).....	4
Mentioned in Despatches.....	45

At Sea

THE ROYAL CANADIAN NAVY has been in action since the outbreak of war, protecting the Dominion's coasts, working in the Atlantic and Pacific. It has assisted in convoying 50 million tons of supplies, sunk enemy submarines, effected rescues at sea, captured five enemy vessels and caused others to be scuttled. It has lost six ships.

On Land

IN the first major test of the Canadian Army in the present war, a battalion of the Royal Rifles of Canada and the Winnipeg Grenadiers fought with other troops of the British Isles and India in a heroic defence of Hong Kong. The Japanese, in overwhelming force, attacked the Island fortress on Dec. 7. On Dec. 25, the official communique stated: "The military and naval commanders informed the Governor no further resistance could be made."

Casualties have not been ascertained, but are known to be heavy. Canadians in the garrison numbered about 2,000. Defence Minister Ralston said of the battle: "Hong Kong will be sombre but glorious page in the record of the Canadian Army."

Canadian troops are stationed in Britain, the West Indies, Newfoundland, Gibraltar and at home. Canadian troops have been in Britain since the arrival of the First Division in December, 1939. There are now four divisions (one armoured) and a tank brigade overseas, in addition to over 300 auxiliary units.

In the Air

THE largest contingent of Empire airmen to come from Canada reached Britain late in December. More than half the number were Canadians and the majority were air crews.

At the end of 1941 there were more than 100,000 men in the Royal Canadian Air Force. There were also 12,000 civilians. The immediate objective of 25 R.C.A.F. squadrons overseas will be realized in the near future, it is expected. At present there are 21 R.C.A.F. squadrons organized overseas, at least 16 of them fully operational.

Framework of the British Commonwealth Air Training Plan was completed in December. From more than 90 air schools in the Dominion a steady stream of trained air crews will flow in 1942. In addition to the training schools there are 130 air establishments operating under the scheme. There are about 120 airfields and approximately 2,000 buildings. Paved runways of the airfields are equivalent to over 1,000 miles of highway of 21 feet standard width.

Canadians, Australians and New Zealanders are trained in the schools. The plan will cost Canada \$500 millions in the first three years of operation—more than the Dominion collects in taxes in a normal peace-time year.

Canada, the United States and the War

WITH the Japanese attacks in the Pacific, Canada and the United States forged a far-reaching military and economic alliance. The framework for the alliance existed in four previously established committees. They are:

- (1) The Canada - United States Permanent Joint Board on Defence.
- (2) Joint Economic Committees.
- (3) Joint War Production Committee.
- (4) Joint Materials Co-ordinating Committee.

The Defence Board was established by the Ogdensburg Agreement of August 17, 1940, between the two countries. On December 21, 1941, the Board was able to announce "military, air and naval plans heretofore made are in satisfactory operation". At the Board's recommendation a chain of air bases was constructed from Edmonton to Alaska for defence purposes. This chain, which came into operation late in 1941, makes possible the rapid transfer of airplanes from the United States and Canada to Alaska.

The Hyde Park Declaration of April 20, 1941, provided for the formation of the economic organizations. A platform for effecting maximum industrial output of war materials in both countries has been announced, providing: complete co-ordination of production and resources in both countries; allocation of scarce materials for maximum output, and removal of any barriers, such as customs or tariffs, impeding the flow of essential war materials from one country to the other.

The economic committees act in an advisory capacity to both countries. Problems dealt with include the meshing of war production programs, post-war planning, foreign exchange control, export control, price policies, reduction of obstacles impeding the flow of supplies for war purposes.

The new military agreement between the two nations was termed "part of the enduring foundation of a new world order" by Prime Minister Mackenzie King.